

Department of Health and Human Services

**OFFICE OF
INSPECTOR GENERAL**

The External Review of Hospital Quality

Holding the Reviewers Accountable



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**JULY 1999
OEI-01-97-00053**

EXECUTIVE SUMMARY

PURPOSE

To assess how the Health Care Financing Administration holds the Joint Commission and State agencies accountable for the external review of hospital quality.

BACKGROUND

External Quality Review of Hospitals in the Medicare Program

Hospitals routinely offer valuable services, but also are places where poor care can lead to unnecessary harm. The external quality review of hospitals plays an important role not only in protecting patients from such harm, but also in complementing the hospitals' own internal quality efforts. The Federal Government relies on two types of external review to ensure hospitals meet the minimum requirements for participating in Medicare: accreditation, usually by the Joint Commission on Accreditation of Healthcare Organizations, and Medicare certification, by State agencies. About 80 percent of the 6,200 hospitals that participate in Medicare are accredited by the Joint Commission.

This Inquiry

This report, part of a series of four companion reports that resulted from our inquiry, focuses on the Health Care Financing Administration's (HCFA's) oversight of both the Joint Commission and State agencies. Our inquiry draws on aggregate data, file reviews, surveys, and observations from a rich variety of sources, including HCFA, the Joint Commission, State agencies, and other stakeholders.

We organized this report around a three-part framework that HCFA can use to hold accrediting bodies and State agencies accountable: (1) obtaining information on performance, (2) providing feedback on performance, and (3) disclosing information publicly.

FINDINGS

The HCFA obtains limited information on the performance of the Joint Commission or the States. In both cases, HCFA asks for little in the way of routine performance reports. To assess the Joint Commission's performance, HCFA relies mainly on validation

surveys conducted, at HCFA's expense, by the State agencies. But for a number of reasons the value of these surveys has been limited. The methodology for selecting the hospitals to survey fails to consider hospital size or type and draws on hospitals surveyed only in certain months. More fundamentally, the surveys have been based on different standards (the Medicare conditions of participation as opposed to the Joint Commission standards) and have been conducted subsequent to the Joint Commission's survey (when hospital conditions could have changed). During 1996 and 97, HCFA piloted 20 observation surveys--during which State and HCFA officials accompanied Joint Commission surveyors. This approach appears to have much promise, but HCFA has not yet issued any evaluation of the pilots.

The HCFA rarely observes State agencies survey hospitals, and conducts no validation surveys of them.

The HCFA provides limited feedback to the Joint Commission and the State agencies on their overall performance. Its feedback to the Joint Commission is more deferential than directive. It's major vehicle for feedback to the Joint Commission is its annual Report to Congress, which is based on the flawed validation surveys and has typically been submitted years late. The HCFA is more directive to the State agencies, which carry out their survey work in accord with HCFA protocols, but gives them little feedback on how well they perform their hospital oversight work.

Public disclosure plays only a minimal role in holding Joint Commission and State agencies accountable. The HCFA makes little information available to the public on the performance of either hospitals or of the external reviewers. By contrast, HCFA posts nursing home survey findings on the Internet and requires nursing homes to post them within the facility as well. The Joint Commission has been more proactive than HCFA in making hospital survey results widely available on the Internet and through other means.

CONCLUSION

The clear and disturbing conclusion of this report is that both the Joint Commission and State agencies are only minimally accountable to HCFA for their performance in reviewing hospitals. While we recognize that these entities are also accountable to others and that they must have considerable flexibility to function effectively, we maintain that it is vitally important for HCFA to ensure that they adequately fulfill their responsibilities to protect Medicare beneficiaries. How, then, can HCFA hold these entities accountable while minimizing burdensome oversight? How can it recognize their inherent strengths and limitations, and tailor performance measurement accordingly? We address these and other related questions in our summary report, *A Call for Greater Accountability*. That report also contains our recommendations, which we direct to HCFA.

COMMENTS

Within the Department of Health and Human Services, we received comments from HCFA. We also solicited and received comments from the following external parties: Joint Commission on Accreditation of Healthcare Organizations, Association of Health Facility Survey Agencies, American Osteopathic Association, American Association of Retired Persons, Service Employees International Union, National Health Law Program, and Public Citizen's Health Research Group. We include the detailed text of all of these comments and our responses to them in our summary report, *The External Review of Hospital Quality: A Call for Greater Accountability* (OEI-01-97-00050).